It has only been two trading days, but the double-digit, two-month rally to close 2023 has not yet carried over into the new year...

Shall we take this bumpy start to 2024 as a signal that much more trouble is ahead this year ? Or is this simply a "breather" – and par for the course after a 15% rip higher in S&P 500 from late Oct through late Dec - an annual gain of 24% in 2023?

Coincidentally, this risk rally has been associated with spike in the reverse repo facility from $680 billion to over $1 trillion in just a few weeks - It is now back down to $700 billion- so the rally is petering out ? At the end of it, its not Fed , Powell but the good old factor -Liquidity ?

Every perceivable positive has already been priced and hence its going to Less exciting year for risk - may be entering a more boring era where it's neither too hot nor too cold.

FOMC minutes -at times- are 'laundered' in the sense that any post FOMC meeting cleanse/messaging Fed wants to send, they use the minutes release as a way to do so- another such FOMC minutes .

Look at the Labour market which appears no longer in its gangbusters state JOLTS show s**teady job postings,** cooler hiring & less quitting: After a record-shattering stretch, labour market has settled into a normal groove.(US Atlanta Fed GDPNow cast Q4: 2.51% - prev 2.03%)

German Unemployment steady at 5.9% - once again confirming that this recession is unique one where unemployment wont go up dramatically - next important data is EZ inflation on Friday.**Close below** 21 dma1.0945 shows end of up-trend.Support now at 61.8 of the Dec rise at 1.0882. To consolidate within this range before next directional move - mostly towards 1.0700 unfolds.

PBoC has worked to sustain the value of yuan in 2023 lest its fall provokes a capital flight. No respite from this exchange rate regime in 2024 as well - reflects policy changes ? - sidelining of PBoC is a move from more market-oriented policies towards direct control from govt. In data front , some good news - China's Services PMI 52.9 in Dec.

EUR/GBP fell with yield spreads, 10yr gilt +2bp 3.669%, 10yr bund -6bp 2.000. Likely to stay in broad 1.2600 - 1.2825 range for now.

Ueda says Japan's economy can balance rises in wages and inflation.USD/JPY to trade firm on course to 144.58 - 161.8% off last week's trend low base.